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Director and Chief Medical Officer

FRED LEAF
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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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BOARD OF SUPERVISORS

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September 29, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC + USC - 2157477	\$442,293
(2)	Account Number	H/UCLA - 6657506	\$60,000
(3)	Account Number	OV/UCLA - 1541505	\$13,674
(4)	Account Number	H/UCLA - 0954842	\$7,500

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) - (3) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patients, except for possible beneficiary coinsurance or deductible obligations. The compromise offer of settlement for patient account (4) is recommended because the patient is unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department will be able to receive under the tort settlement involved in this.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of revenue totaling approximately \$523,467.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in tort settlements are divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and the lawyer.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

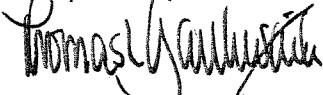
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lg (R:\ASTECKER\COMPROMISE\BRDLTR#36\LETTER)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: September 29, 2005

Total Charges	\$605,880	Account Number	2157477
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$605,880	Date of Service	11/22/04-12/31/04
Compromise Amount Offered	\$442,293	% Of Charges	73%
Amount to be Written Off	\$163,587	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: September 29, 2005

Total Charges	\$139,514	Account Number	6657506
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$139,514	Date of Service	01/18/05-02/01/05
Compromise Amount Offered	\$60,000	% Of Charges	43%
Amount to be Written Off	\$79,514	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: September 29, 2005

Total Charges	\$49,536	Account Number	1541505
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$49,536	Date of Service	06/01/05-06/09/05
Compromise Amount Offered	\$13,674	% Of Charges	27.6% *
Amount to be Written Off	\$35,862	Facility	OV/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

* The patient is a German Citizen and his international insurance policy only reimburses the prevailing U.S. Medicare DRG rate. The amount offered is 100% of the DRG for the services provided.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: September 29, 2005

Total Charges	\$264,600	Account Number	0954842
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$264,600	Date of Service	12/31/98-02/05/99
Compromise Amount Offered	\$7,500	% Of Charges	2.83%
Amount to be Written Off	\$257,100	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient of \$264,600 for medical services rendered. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$5,000	\$3,750	25%
Attorney Cost	\$0	\$0	--
H/UCLA Medical Center	\$264,600	\$7,500	50%
Patient (Heirs)	\$0	\$3,750	25%
Total		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.